

Message Text

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43

ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 DRC-01 AID-20 IO-14 /124 W

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R 060842Z MAY 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 3658

INFO CINCPAC

AMEMBASSY TOKYO

C O N F I D E N T I A L SEOUL 2887

E.O. 11652: GDS

TAGS: PINT, KS

SUBJ: BANK SCANDAL AND THE PRESS

REF: SEOUL 2841

1. PROSECUTOR GENERAL KIM CHI-YOL HELD PRESS CONFERENCE MAY 3 TO WARN THAT GOVERNMENT WILL SEVERELY PUNISH THOSE WHO PUBLISH LIBELOUS REPORTS, SPREAD FALSE RUMORS OR SLANDER INNOCENT PEOPLE. KIM QUOTED BY PRESS AS SAYING UNCONFIRMED NEWS REPORTS BASED ON HEARSAY WILL BE SUBJECT STRINGENT CONTROL. HE ALSO MENTIONED THAT THOSE WHO MAKE FALSE REPORTS TO GOVERNMENT INVESTIGATIVE AGENCIES WILL BE PUNISHED.

2. IN RESPONSE TO QUESTION FROM REPORTER, KIM DENIED THAT POLICY IS CONNECTED WITH PAK YONG-BOK BANK SCANDAL (REFTEL). HE CLAIMED THAT STRICT MEASURES ON LIBEL HAVE BEEN UNDER CONSIDERATION FOR SOME TIME.

3. AS FOLLOW-UP TO KIM'S ANNOUNCEMENT, CHUNGANG ILBO REPORTER YI WON-TAL ARRESTED MAY 4 ON CHARGES OF DEFAMING FORMER NATIONAL ASSEMBLYMAN YI U-HYON. CHUNGANG ILBO HAD REPORTED EARLIER IN WEEK THAT PROSECUTION PLANNED TO ARREST YI FOR INVOLVEMENT IN BANK FRAUD CASE. PROSECUTION REPORTEDLY CLAIMS
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THAT YI WON-TAL INTENTIONALLY LIBELED THE FORMER NATIONAL

ASSEMBLYMAN IN RETALIATION FOR ALLEGED ASSAULT BY YI ON A CHOSUN ILBO PHOTOGRAPHER. MAY 5 PRESS REPORTS THAT DISTRICT PROSECUTOR ALSO INTERROGATED THREE OTHER REPORTERS AND ONE CARTOONIST CONCERNING STORIES AND CARTOON ON BANK SCANDAL.

5. OPPOSITION NDP AND DUP HAVE EXPRESSED REGRET OVER ARREST OF REPORTER. NDP SPOKESMAN QUOTED AS SAYING PARTY WILL INTERPELLATE ON MATTER IN LEGISLATION-JUDICIARY COMMITTEE WHEN CONVENED. DRP SPOKESMAN DID NOT COMMENT DIRECTLY ON ARREST, BUT SAID PRESS MUST REPORT ONLY THE TRUTH.

5. KOREAN JOURNALIST'S ASSOCIATION MAY 4 ISSUED STATEMENT CALLING ARREST OF REPORTER A CHALLENGE TO PRESS FREEDOM. ASSOCIATION REPORTEDLY SAID CHUNGANG STORY BASED ON CONFIRMED FACTS. ASSOCIATION AND NEWSPAPER EDITOR'S ASSOCIATION CALLED FOR RELEASE YI WON-TAL FROM PRE-TRIAL ARREST ON GROUNDS THAT THERE IS NO INDICATION THAT YI WILL TRY TO ESCAPE OR DESTROY EVIDENCE.

6. USIS PRESS SOURCE REPORTS THAT PRIME MINISTER MAY 2 GAVE DINNER FOR NEWSPAPER PUBLISHERS AT WHICH HE ASKED THEM TO DISCONTINUE COVERAGE OF BANK SCANDAL AFTER PROSECUTOR'S PRESS CONFERENCE MAY 3. PUBLISHERS REPORTEDLY AGREED TO GO ALONG WITH RESTRICTION, WHICH DOES NOT INCLUDE REPORTING ARRESTS AND SUITS COMING FROM SCANDAL. PRESS SOURCE ALSO REPORTS THAT DONGA CITY EDITOR AND ASST INTERROGATED FOR PRINTING NAME AND UNIT OF ROK SOLDIER WHO WENT ON SHOOTING SPREE AT KIMPO AIRPORT APRIL 30.

7. COMMENT: IN SPITE OF THE PROSECUTOR'S DENIAL, PRESS REPORTING OF BANK SCANDAL CLEARLY HAS STIMULATED THE GOVERNMENT CRACKDOWN. WITH MOST AREAS OF POLITICAL REPORTING OUT OF BOUNDS PRESS HAS BEEN CONCENTRATING ON BANK STORY AND ON POSSIBLE INVOLVEMENT OF HIGHER LEVEL ROKG FIGURES. WHETHER THE PRESS MISINTERPRETED GOVERNMENT SIGNALS ON LIMITS OF REPORTING OR NOT, GOVERNMENT BELIEVES THEY ARE GOING TOO FAR IN STORIES LINKING THE SCANDAL WITH RANKING FORMER GOVERNMENT OFFICIALS.

8. YI WON-TAL, BY CLAIMING THAT THE PROSECUTION WAS CONSIDERING THE ARREST OF YI U-HYON, MAY HAVE LEFT HIMSELF OPEN TO A LIBEL CHARGE. EMBASSY PRESS SOURCES, HOWEVER, HAVE INTERPRETED THE ACTUAL JAILING OF YI, ALONG WITH THE HARASSMENT OF OTHER JOURNAL-
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ISTS AND THE PROSECUTOR'S HARD LINE STATEMENT, AS OBVIOUSLY CONSTITUTING AN EXPLICIT WARNING TO THE NEWS MEDIA TO STAY IN LINE.

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